

### REMARKS

Reconsideration and further examination of the subject patent application in light of the present Amendment and Remarks is respectfully requested.

Claims 1-22 are currently pending in the application. Claims 1-22 stand rejected.

### The Drawings

The Examiner has objected to the use of reference number 134 to designate the magnet of FIG. 2. In response, a Replacement Sheet FIG. 2 is provided along with an Annotated FIG. 2.

Reference number 138 has also been added to Replacement Sheet FIG. 14b. An Annotated FIG. 14b is also included.

### Claims Rejections under 35 U.S.C. §112

Claims 1-22 have been rejected under 35 U.S.C. §112, second paragraph, as being indefinite. In particular, the Examiner asserts that it is not clear what magnet is being claimed.

In response, independent claims 1, 12 and 22 have been further limited to “an activating magnet” and “an activating magnet assembly.” Paragraphs [0090] and [0096] of the specification have been similarly amended to clarify the scope of the claims.

Claim 13 (now claim 12) has been rejected under 35 U.S.C. §112, second paragraph as being indefinite. In particular, the Examiner asserts that “It is unclear how the magnet can be coupled to the document and still allow it to move through the document path.” In response, claim 12 has been amended to a mechanical coupling with the document path.

Claims 20 and 21 have been rejected under 35 U.S.C. §112, second paragraph , as being

indefinite. In particular, the Examiner asserts that claims 20 and 21 are in improper dependent form. In response, claim 12, upon which claims 20 and 21 depend, has been amended accordingly.

Claim 4 has been rejected under 35 U.S.C. §112, second paragraph, as being indefinite. In particular, the Examiner objects to the use of the word “document guide.” In response, the word “deflectable guide” has been used. Support for the use of “deflectable guide” is found in paragraph [0088] of the specification.

#### Rejection Under 35 U.S.C. §102

Claims 1-7, 12-16 and 22 stand rejected under 35 U.S.C. §102(b) as being anticipated by U.S. Pat. No. 3,159,277 to Carlson et al. Applicant respectfully traverses this rejection.

In particular, the Examiner asserts that “Carlson discloses a bill validator having a magnet (244) mechanically coupled to a document path (see figure 4), that moves from a first position to a second position solely through the mechanical coupling in response to a user accessing the document path to insert a document” (Office Action of 11/9/06, page 5). However, rather than providing a magnet, Carlson et al. merely refers to a “magnetic head 244”. In addition, Carlson et al. explicitly states that “movement of the inserted bill 400 past the magnetic head 244 will cause voltage variations to be generated in the coil of the magnetic head . . . to produce two validating signals” (Carlson et al., col. 19, lines 11-19). Moreover, “The first of these two validating signals will energize the relay coil 428 . . . As the first validating signal passes, the relay coil 428 will become deenergized . . . to establish a holding circuit for coil 462” (Carlson et al., col. 19, lines 20-39). As such, the closing of the Examiner’s relays 428, 462 are caused by “movement of the inserted bill 400” rather than by movement of any magnet.

In addition, there is no indication that the Carlson et al. magnetic head 244 is capable of movement in normal operation. In this regard, “A nut 250 . . . can be loosened to permit rotation, and thus vertical movement of the screw 248 . . . That vertical movement fixes the normal position of the magnetic head 244 relative to the platen 94” (Carlson et al., col. 9, lines 59-66). As such, it is the screw 248 that causes movement of the magnetic head 244 not insertion of a bill 400.

Since Carlson et al. uses a voltage from a magnetic coil to close relays 428, 462 rather than movement of a magnet, Carlson et al. does not do the same or any similar thing as that of the claimed invention. Since Carlson et al. does not do the same or any similar thing as that of the claimed invention, the rejections are improper and should be withdrawn.

#### Rejections under 35 U.S.C. §103

Claims 10, 11, 20 and 21 stand rejected under 35 U.S.C. §103(a) as being obvious over U.S. Pat. No. 3,159,277 to Carlson et al. in view of U.S. Pat. No. 6,823,995 to Mukai. Applicant respectfully traverses this rejection.

In this regard, the Examiner asserts that “Mukai discloses a cover (914) that rotates to a position that blocks an entrance to a document path and is mechanically coupled to a magnet (9141)” (Office Action of 11/9/06, page 6). However, the gate 914 of Mukai is controlled by the magnet 9141 (Mukai, col. 9, lines 12-17) rather than the cover controlling the magnet as under the claimed invention.

Moreover, substituting a moveable magnet for the stationary Carlson et al. magnetic head with coil would involve a fundamental change in the way that Carlson et al. operates.

As such, Carlson et al., Mukai and the combination of Carlson et al. and Mukai fail to

provide any teaching or suggestion of “an activating magnet within the document validator that is mechanically coupled to a document path of the document validator and that moves from a first position to a second position solely through the mechanical coupling in response to a user accessing the document path to insert a document; a switch that is activated by magnetism from the magnet in response to the movement of the magnet from the first to the second position.”

Since the combination fails to teach or suggest at least these claim elements, the combination fails to teach or suggest each and every claim limitation. Since the combination fails to teach or suggest each and every claim limitation, the rejections are improper and should be withdrawn.

Claims 1, 8, 9, 13 and 17-19 stand rejected under 35 U.S.C. §103(a) as being obvious over U.S. Pat. No. 3,159,277 to Carlson et al. in view of U.S. Pat. No. 6,381,423 to Eom. Applicant respectfully traverses this rejection.

In this regard, the Examiner asserts that “Eom discloses a magnet (40) mechanically coupled to a document path (34), the magnet moving from a first position to a second position (vertical), thus activating a switch signal” (Office Action of 11/9/06, page 7). However, the Examiner’s magnet 40 is described by Eom as simply being a “displacement measuring sensor 40” (Eom, col. 4, line 47).

Moreover, substituting a moveable magnet for the stationary Carlson et al. magnetic head with coil would involve a fundamental change in the way that Carlson et al. operates.

As such, Carlson et al., Eom and the combination of Carlson et al. and Eom fail to provide any teaching or suggestion of “an activating magnet within the document validator that is mechanically coupled to a document path of the document validator and that moves from a first position to a second position solely through the mechanical coupling in response to a user accessing the document path to insert a document; a switch that is activated by magnetism from the magnet in

response to the movement of the magnet from the first to the second position.” Since the combination fails to teach or suggest at least these claim elements, the combination fails to teach or suggest each and every claim limitation. Since the combination fails to teach or suggest each and every claim limitation, the rejections are improper and should be withdrawn.

#### Closing Remarks

For the foregoing reasons, applicant submits that the subject application is in condition for allowance and earnestly solicits an early Notice of Allowance. Should the Primary Examiner be of the opinion that a telephone conference would expedite prosecution of the subject application, the Primary Examiner is respectfully requested to call the undersigned at the below-listed number.

The Commissioner is hereby authorized to charge any additional fee which may be required for this application under 37 C.F.R. §§ 1.16-1.18, including but not limited to the issue fee, or credit any overpayment, to Deposit Account No. 23-0920. Should no proper amount be enclosed herewith, as by a check being in the wrong amount, unsigned, post-dated, otherwise improper or informal, or even entirely missing, the Commissioner is authorized to charge the unpaid amount to Deposit Account No. 23-0920. A duplicate copy of this sheet(s) is enclosed.

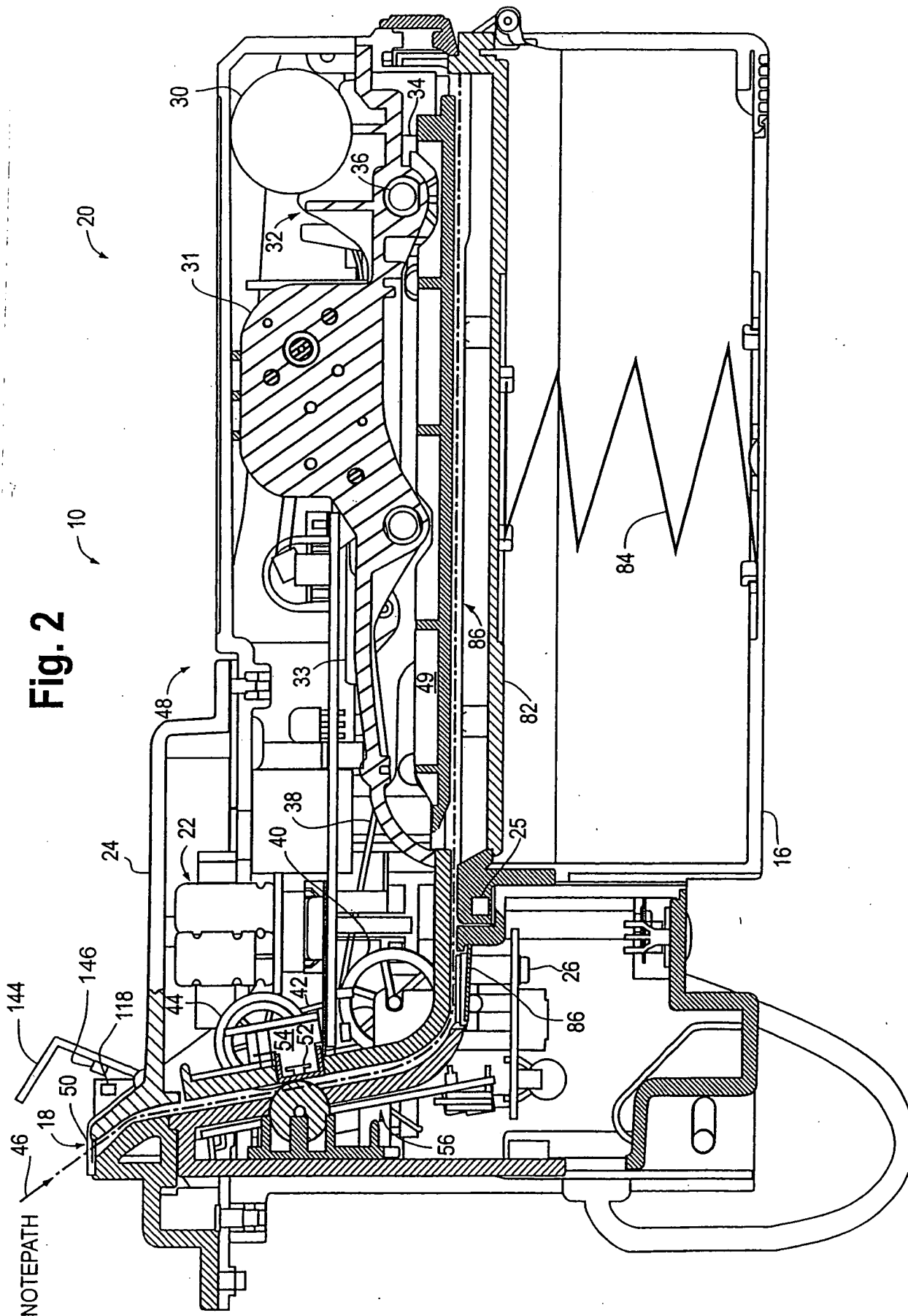
Respectfully submitted,  
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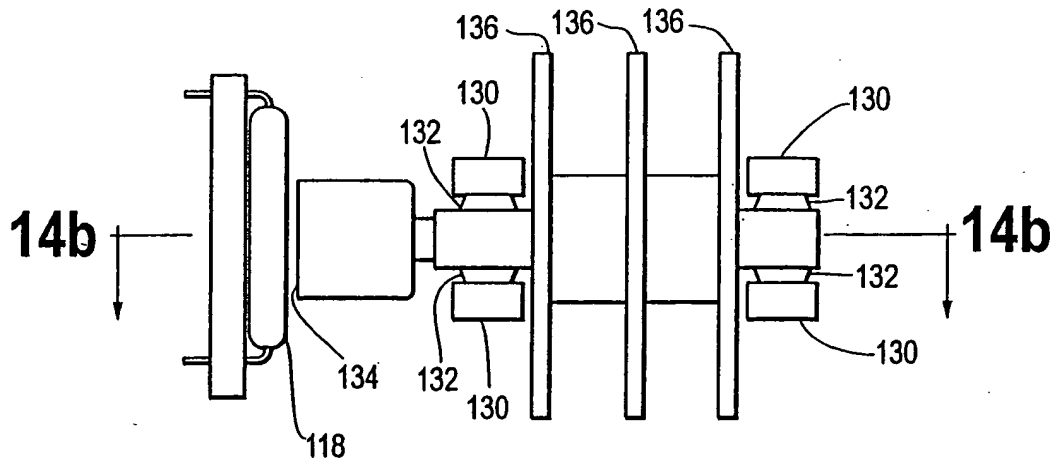
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Fig. 2



12/12

**Fig. 14a**



**Fig. 14b**

